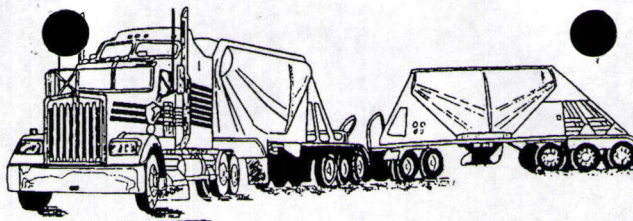


*Burningham
Enterprises, Inc.*



5/017/048
P.O. Box 974
95 North 200 East
American Fork, Utah 84003
(801) 756-8138
Fax (801) 756-4123

May 22, 2005

Mr. John T. Blake
Mineral Resources Specialist
Trust Lands Administration
675 East 500 South #500
Salt Lake City, Utah 84102

Dear John:

I am writing this letter in response to your letter dated April 22, 2005 in which you note deficiencies in our mine plan on the Mammoth Ridge property. I will address each of your points in order.

1. No mining operations will be included on the property not covered under ML 49699-MP.
2. Trees will be stacked to be burned, buried, or otherwise disposed of. Trees will not be stacked in berm.
3. Highwall will be mined in such a manner as to make sloping for reclamation at a 1V/2H a minimal operation.
4. We are working with the county regarding all concerns with the road. We are aware that widening of the road will require reclaiming same to its current width. The road is open for passage to other users as access to other properties and passers through.
5. Dust control procedures will be conducted as per Division of Air Quality standards. Any sub-contractor crushing in the pit will be required to have, with their crusher, a current air quality permit.
6. Blasting operations will be minimal and controlled so as to be safe.
7. Currently working with UDOT regarding ingress and egress issues. These issues will be addressed prior to working in the pit and progress forwarded to SITLA.
8. Mine plan takes reasonable precautions to handle groundwater, runoff, and

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DIV OF OIL GAS & MINING

contamination. Natural barriers and channels will be utilized as well as berms to mitigate damages to Mammoth Creek and other flow areas as mining proceeds.

9. The plan is very simple. On-site storage of explosives, fuels, lubricants etc. will be done on a campaign by campaign basis. Mining campaigns in the pit are expected to be of very short duration (approximately thirty days or less) and on an annual basis. These potential contaminants will not be on site when mining operations are not active.

I hope my attempt to answer your questions is sufficient. I believe the mining plan as submitted and approved by DOGM is sufficiently detailed for the limited operation proposed. Additionally, I am enclosing a copy of the Conditional Use Permit as issued by Garfield County on this pit area. Overall, the people in the area were very supportive of this project.

We are aware of the sensitive balance between mining and the environment. We have every intention of working in harmony with the natural balance of the area, the wildlife, the townspeople and passers-by who are visiting.

Sincerely,

Gary B. H.

5/017/048

CONDITIONAL USE PERMIT

GARFIELD COUNTY

RECEIVED

JUL 07 2005

Name of applicant Robert Steele/Burningham Enterprises **DIV OF OIL GAS & MINING**

Address 1055 North 400 WAR Nephi UT 84648

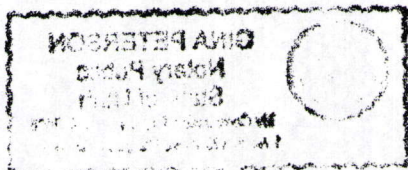
Current zoning of parcel _____ Acres _____

Tax identification number _____

Type of development approved mining operation

Conditions of permit _____

Date of issuance April 14, 2005



James Meekins
Planning Commission Chairman or
Authorized Representative

I the undersigned, have read and do understand the Garfield County Zoning Ordinance and the special requirements made with respect to zoning as it applies to the property for which this permit is issued.

I further understand and agree that if my development fails to comply with the ordinances of Garfield County and/or the special requirements set forth in this or any other special use permit issued to me by Garfield County for this project, either now or in the future, my conditional use permit will automatically be rendered invalid and I will be in violation of the law, and therefore subject to it.

I also realize that the conditions set forth in this conditional use permit do not change should I relinquish ownership of the land, and I agree to inform any future purchaser of these conditions and notify him of his obligation to do the same in the event that he should sell the same.

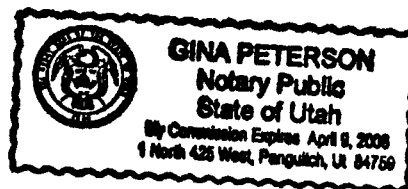
I have read the above and understand what is required of me. I realize that in addition to this conditional use permit I am required to obtain a building permit if applicable from the Garfield County Building Inspector for this project.

This conditional use permit shall become null and void one year from the date of issuance unless substantial work shall have been performed.

In the event that Garfield County or any of its employees, agents, or representatives are required to initiate any legal action or other proceeding against me for violations in connection with this project, I hereby agree to pay for all court costs, attorney fees, and any other costs incurred by Garfield County resulting from my failure to comply with the conditions set forth herein or in the Garfield County Zoning Ordinance, Subdivision Ordinance, Mobile Home Ordinance or any other law or ordinance which pertains.

DATED this 14th day of April, 20 05.

Robert L. Steele
Applicant



On this 14th day of April, 20 05, personally appeared before me Robert L. Steele, the signer of the foregoing instrument and acknowledged to me that he/she/they executed the same.

Gina Peterson
Notary

Residing at: Panguitch
My commission expires: April 9, 2006